APPENDIX.

ARTICLE 7880-147 (U). BORROWING FROM FEDERAL AGENCIES.

* * * * * * * * * * *

Sec. 4. If the government of the United States or a lending agency thereof, as a condition precedent to lending money to or purchasing bonds of any district under the provisions hereof, shall require such district to retire its existing bonded indebtedness or to subordinate its existing bonded indebtedness in such manner that the loan made or the bonds purchased by the Government or such lending agency shall have a claim on the proceeds of all taxes collected by said district prior and superior to the claims of all or part of such existing bonded indebtedness, said district is hereby empowered to enter into such agreement or agreements with the government or lending agency thereof and with the holder or holders of such existing indebtedness as may be necessary or appropriate to accomplish such purpose. Such agreement may provide for the deposit or escrow of the bonds so subordinated with a trustee, or may provide for stamping on such subordinated bonds and coupons an appropriate legend, or may provide for the replacement of such subordinated bonds with refunding bonds containing recitals appropriate to such subordination, and if refunding bonds are so issued such bonds may be issued without an election, and need not correspond as to interest, rate, maturity and other details with the bonds refunded.

If the holder or holders of part of such existing bonded indebtedness of said district are unwilling to enter into an agreement of the nature hereinabove outlined, but are willing to enter into an agreement with said district under the terms of which all or part of the uncollected taxes theretofore levied by said district for the payment of all or part of the outstanding bonded indebtedness of said district shall, when collected, be paid into a special interest and sinking fund created for the sole purpose of paying interest on and principal of the bonds held by such holder or holders, said district is hereby empowered to enter into such agreement. If such agreement is made no moratorium or tax payment extension law and no statute of limitations now or hereafter applicable to the payment of taxes shall ever apply to the collection of the taxes so provided to be paid into such special interest and sinking fund.

* * * * * * * * * * *